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Attorneys for debtor-in possession
Okaysou Corporation

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

In re:

OKAYSOU CORPORATION

Debtor-in-possession

Case No.: **6:23-bk-11535-MH**

STATUS REPORT

Date: May 30, 2023

Time: 2:00PM

Place: Courtroom 301, 3420
Twelfth Street, Riverside, CA 92501

**TO THE HON. MARK HOULE, UNITED STATES BANKRUPTCY JUDGE, THE
UNITED STATES TRUSTEE, CREDITORS AND PARTIES IN INTEREST:**

Debtor in possession Okaysou Corporation hereby submits this status report.

1. Events that Led to Chapter 11 Case.

Debtor is a corporation engaged in ecommerce sale of air purifiers and accessories. Most of debtor's sales are through Amazon.com and its websites that are managed through Shopify.com. Prior to the filing of this case, Debtor was facing a patent infringement lawsuit from Arovast Corporation related to the design of its air purifiers. Debtor was also facing threat of supply disruptions from its China based supplier. Debtor's Chinese supplier also had access and control of debtor's Amazon account. It became likely that at some point Debtor's supply of

STATUS REPORT

1 goods may be cut off and its Chinese supplier may cut off access to Debtor's funds and proceeds
2 of the sale. Debtor also was financially struggling to defend the trademark infringement lawsuit.
3 Debtor's plan was to enter chapter 11, liquidate its inventory and pay back its creditors in orderly
4 fashion.

5 **2. Post Petition Operations and major Assets and Liabilities.**

6 Debtor continues to sell its inventory on amazon and through its websites. At this point Debtor's
7 access to its amazon account has been cut off by its Chinese supplier Fudng John Cao.

8 Fortunately, as a result of the bankruptcy filing Amazon.com has restricted any transfer of funds
9 out of that account. Debtor's main assets are its inventory which debtor estimates to be over
10 1,500,000. Debtor's main creditors are Amazon Capital Services, inc. and Webbank. That have
11 security interest on Debtor's assets. Debtor also has a number of trade creditors and the
unliquidated claim of Arovast Corporation.

12 **3. Debtor's pre-Petition and post-Petition Litigation.**

13 Pre-petition debtor was being sued by Arovast Corporation for patent infringement in case of
14 Arovast Corporation v. Okaysou Corporation, CACD Case No. 8:22-cv-1037. That case has
15 been stayed by the filing of this bankruptcy case.

16 **4. Potential avoidance actions as described in 11 U.S.C. §§544-550.**

17 Debtor may have avoidance claims against its Chinese suppliers for pre-petition payments.
18 Debtor has not yet filed any avoidance complaints. Debtor expects that it has a solvent
19 bankruptcy estate and will make final decision on avoidance actions, after all of the claims have
20 been filed. The Ethel Property requires some renovations to be fit for sale. Debtor hopes to
attract investments from third parties to complete the renovations and sell the property.

21 **5. Employment of Counsel**

22 Debtor has filed an application to employ YK law, LLP as general counsel in this case.

23 **6. Employment of Other Professionals.**

24 Debtor has not applied to retain other professionals in this case. Debtor may need to employ an
25 accountant or a bookkeeper to file its taxes.

26 **7. Compliance with its Duties**

27 Debtor is in compliance with its duties under 11 U.S.C. §§ 521, 1106, 1107 and the applicable
28 guidelines of the United states Trustee.

8. Is the debtor a small business debtor as defined in 11 U.S.C. § 101(51D)

1 No.

2 **9. Is this case a single asset real estate case as contemplated in 11 U.S.C. § 101(51B)?**

3 No.

4 **10. Proposed Deadline for Filing of disclosure Statement and plan.**

5 Debtor proposes December 1, 2023 as deadline for filing of disclosure statement and Plan. Even
6 though debtor is potentially able to file a plan within 120 days, given the proposed claims filing
7 deadline and potential objections to claims, Debtor believes it is more feasible to have a longer
8 deadline to avoid filing unnecessary plan amendments resulting from outcomes of claim
9 objection proceedings.

10 **11. Deadline for Filing of Proof of Claims.**

11 Debtor proposes August 14, 2023 as deadline for filing of proofs of claim.

12 **12. Deadline for Filing Objections to Claims.**

13 Debtor proposes September 15, 2023 as deadline for filing objections to claims.

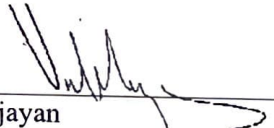
14 **13. Deadline for Avoidance Actions.**

15 Debtor requests this Court not to set any specific deadlines for avoidance actions at this time.

16 Debtor will adhere to statutory deadlines in bringing its avoidance actions.

17 Dated: 05/16/2023

18 YK Law, LLP

19
20 By: 
21 Vahe Khojayan
22 Proposed Attorneys for Debtor-in-Possession
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DECLARATION OF HAO MA

I, Hao Ma, declare:

I am a person over the age of eighteen and the chief executive officer of Debtor Okaysou Corporation, debtor and debtor in possession in this bankruptcy case. I have personal knowledge of the facts stated herein and if called as a witness could and would competently testify to the accuracy of these facts.

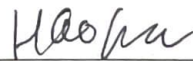
1. Debtor is a corporation engaged in ecommerce sale of air purifiers and accessories. Most of debtor's sales are through Amazon.com and its websites that are managed through Shopify.com. Prior to the filing of this case, Debtor was facing a patent infringement lawsuit from Arovast Corporation related to the design of its air purifiers. Debtor was also facing threat of supply disruptions from its China based supplier. Debtor's Chinese supplier also had access and control of debtor's Amazon account. It became likely that at some point Debtor's supply of goods may be cut off and its Chinese supplier may cut off access to Debtor's funds and proceeds of the sale. Debtor also was financially struggling to defend the trademark infringement lawsuit.
2. Debtor's plan was to enter chapter 11, liquidate its inventory and pay back its creditors in orderly fashion.
3. Debtor continues to sell its inventory on amazon and through its websites. At this point Debtor's access to its amazon account has been cut off by its Chinese supplier Fudng John Cao. Fortunately, as a result of the bankruptcy filing Amazon.com has restricted any transfer of funds out of that account. Debtor's main assets are its inventory which debtor estimates to be over 1,500,000. Debtor's main creditors are Amazon Capital Services, inc. and Webbank. That have security interest on Debtor's assets. Debtor also has a number of trade creditors and the unliquidated claim of Arovast Corporation.
4. Pre-petition debtor was being sued by Arovast Corporation for patent infringement in case of Arovast Corporation v. Okaysou Corporation, CACD Case No. 8:22-cv-1037. That case has been stayed by the filing of this bankruptcy case.

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5. Debtor may have avoidance claims against its Chinese suppliers for pre-petition payments. Debtor has not yet filed any avoidance complaints. Debtor expects that it has a solvent bankruptcy estate and will make final decision on avoidance actions, after all of the claims have been filed. The Ethel Property requires some renovations to be fit for sale. Debtor hopes to attract investments from third parties to complete the renovations and sell the property.
6. Debtor has filed an application to employ YK law, LLP as general counsel in this case.
7. Debtor has not applied to retain other professionals in this case. Debtor may need to employ an accountant or a bookkeeper to file its taxes.
8. Debtor is in compliance with its duties under 11 U.S.C. §§ 521, 1106, 1107 and the applicable guidelines of the United States Trustee.
9. Debtor is not a small business per 11 U.S.C. § 101(51D)
10. This case is not a single asset real estate case as contemplated in 11 U.S.C. § 101(51B)?
11. Debtor proposes December 1, 2023 as deadline for filing of disclosure statement and Plan. Even though debtor is potentially able to file a plan within 120 days, given the proposed claims filing deadline and potential objections to claims, Debtor believes it is more feasible to have a longer deadline to avoid filing unnecessary plan amendments resulting from outcomes of claim objection proceedings.
12. Debtor proposes August 14, 2023 as deadline for filing of proofs of claim.
13. Debtor proposes September 15, 2023 as deadline for filing objections to claims.
14. Debtor requests this Court not to set any specific deadlines for avoidance actions at this time. Debtor will adhere to statutory deadlines in bringing its avoidance actions.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Date: 05/16/2023

By: 
Hao Ma

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1010 N. Central Ave, Ste 450
Glendale, CA 91202

A true and correct copy of the foregoing document described as **STATUS REPORT** will be served or was served
(a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated
below:

Via Overnight Mail to Chambers of the Hon. Mark Houle

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") - Pursuant to controlling
General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF
and hyperlink to the document. On **05/16/2023**, I checked the CM/ECF docket for this bankruptcy case or
adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive
NEF transmission at the email address(es) indicated below:

Abram Feuerstein, esq on behalf of U.S. Trustee United States Trustee (RS)

abram.s.feuerstein@usdoj.gov

Everett L Green on behalf of U.S. Trustee United States Trustee (RS)

everett.l.green@usdoj.gov

Vahe Khojayan on behalf of Debtor Okaysou Corporation

vkhojayan@yklaw.us

Cameron C Ridley on behalf of U.S. Trustee United States Trustee (RS)

Cameron.Ridley@usdoj.gov

United States Trustee (RS)

ustpreion16.rs.ecf@usdoj.gov

☐ Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):

On **05/16/2023**, I served the following person(s) and/or entity(ies) at the last known address(es) in this
bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the
United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing
the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the
document is filed.

☒ Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each
person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on , I served the following person(s)
and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile
transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the
judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and
correct.

05/16/2023

Tina Chenorjoukian

/s/ Tina Chenorjoukian

Date

Type Name

Signature

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United States Trustee 915 Wilshire Blvd, Ste 1850 Los Angeles, CA 90017	Internal Revenue Service PO Box 7346 Philadelphia, PA 19101-7346
Amazon Capital Services, Inc. PO Box 84837 Seattle, WA 98124	Tiansai Pang #303, Renxing Rd., Yubei Dist., Chongqing, China 303
Arovast Corporation c/o Trojan law Offices 9250 Wilshire Blvd., Ste 325 Beverly Hills, CA 90212	Souxing Information Technology (Chongqing) Co. Ltd #56, Ruitian Rd., Yuzhong Dist., Chongqing, China 56
Cansail Fulfillment 13828 Mountain Ave, Chino, CA 91710	Fundong Cao #56, Ruitian Rd., Yuzhong Dist., Chongqing, China 56
Elekcity Corporation c/o Trojan law Offices 9250 Wilshire Blvd., Ste 325 Beverly Hills, CA 90212	Cixi Belian Electrical Appliance NO.28th,Haitong Road ,Guanhaiwei Town,CIXI China 28
Fedex 3965 Airways, Module G 4th Floor Seattle, WA 98116	Hanking Plastic Manufactory(Shenzhen) Co., LTD Pingdong Village Pingdi Town Longgang District Shenzhen 518117 China
Rexford Industrial 11620 Wilshire Blvd, #1000 Los Angeles, CA 90025	Hexathelid Corporation Limited BUILDING1,YONGXIN INDUSTRY PARK, NO.89, 891
UPS PO box 650116 Dallas, TX 75265-0116	JPMorgan Chase Bank, N.A. s/b/m/t Chase Bank USA, N.A. c/o Robertson, Anschutz, Schneid, & Crane LLP 6409 Congress Avenue, Suite 100 Boca Raton, FL 33487
Wakool Transport 19130 San Jose Ave, Rowland Heights, CA 91748	
WebBank 100 Shockoe Slip, 2nd Floor Richmond, VA 23219	
INTERNAL REVENUE SERVICE P.O. BOX 7346 PHILADELPHIA, PA 19101-7346	

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